MATCOM

Supply Chain Management Center

Centralized SECREP Management
&
4th Echelon of Maintenance Migration Update

Supply Chain Management Center

Agenda

- Supply Chain Management Center
  - **Background**
  - **Organization Goals**
  - **Organization Structure**

- Overall Centralized SECREP Management Status

  - Background
  - Goals
  - Approach
  - Actions Completed
  - What's Next

- Current Migration of 4th Echelon of Maintenance Progress

  - Background
  - Goals
  - Approach
  - Actions Completed
  - What's Next

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Background

- **Single MATCOM focus for Materiel Life Cycle Management (MLCM)**
- **PM responsible for LCM of assigned weapon systems, equipment, and Logistics AIS**
- **Single point of entry for the Operating Forces**
- **Establish a Supply Chain Management Business Area**

SCMC GOAL

"To be the Preferred Provider of Supply Chain Management Services".

- **Improve Distribution of Material Across Our Customer Base**
- **Reduce Material Costs**
- **Improve Forecasting Accuracy**
- **Improve Communications with Our**

Supply Chain Management Center

LtCol M.E. Rudolph
Director
Code 55

Mr. Fred J. Howard
Depurty Director

http://www.ala.usmc.mil/scmc

War Reserve Dept.	Business Management Dept.	Materiel Management Dept.	Storage & Distribution Dept.	Fourth Echelon Maintenance Dept.
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Director	Director	Mrs. Sue Wright, Deputy Dir	Mr. Mitch Upton, Deputy Dir	Director
Code 550	Code 560	Code 570	Code 580	Code 590

IOC: 18 April 2001 (Implementation of PM/WSM Integration)

Mission: Plan, organize, and manage Marine Corps worldwide wholesale and selected retail supply chain management activities for ground weapon systems and SECREPs

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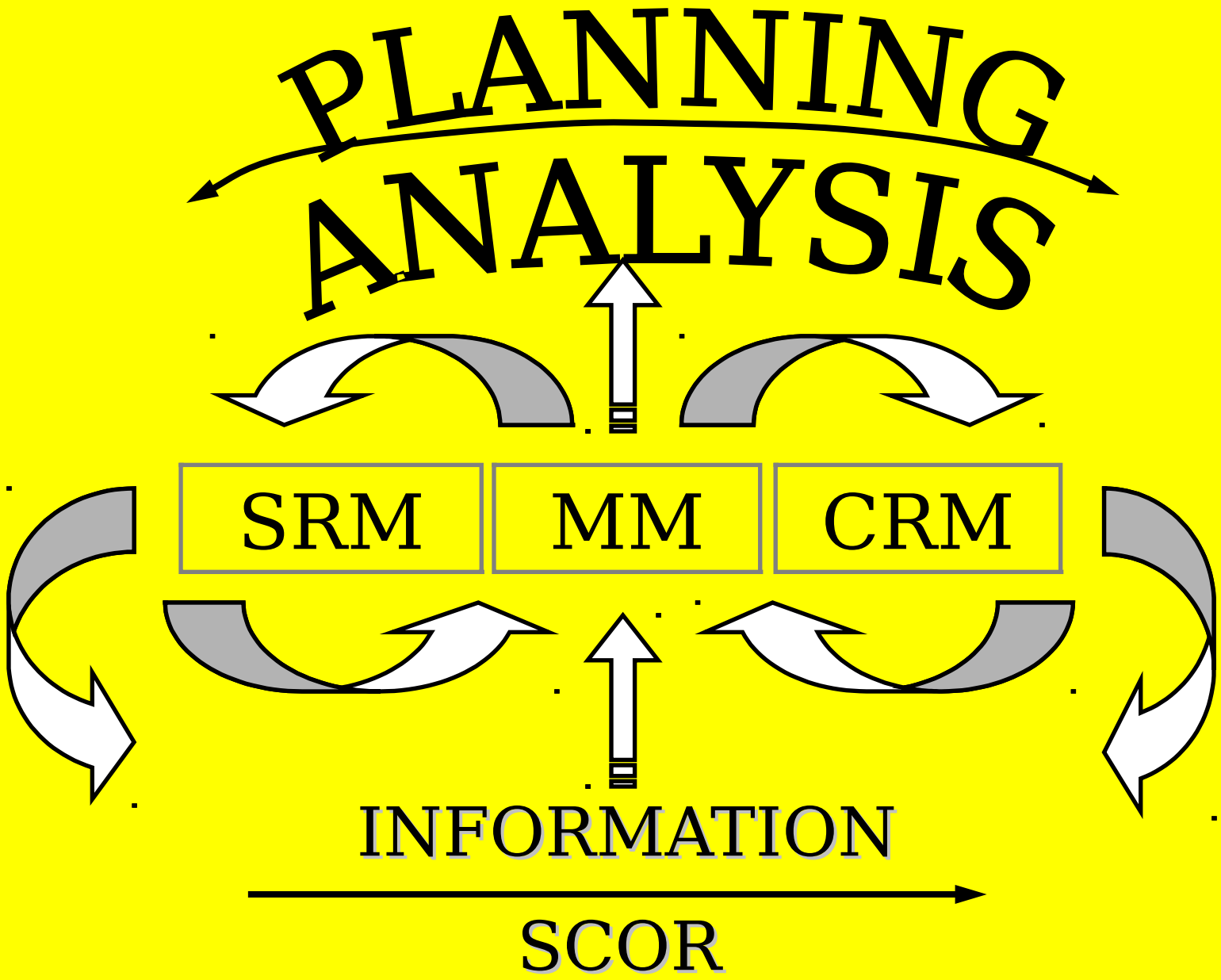

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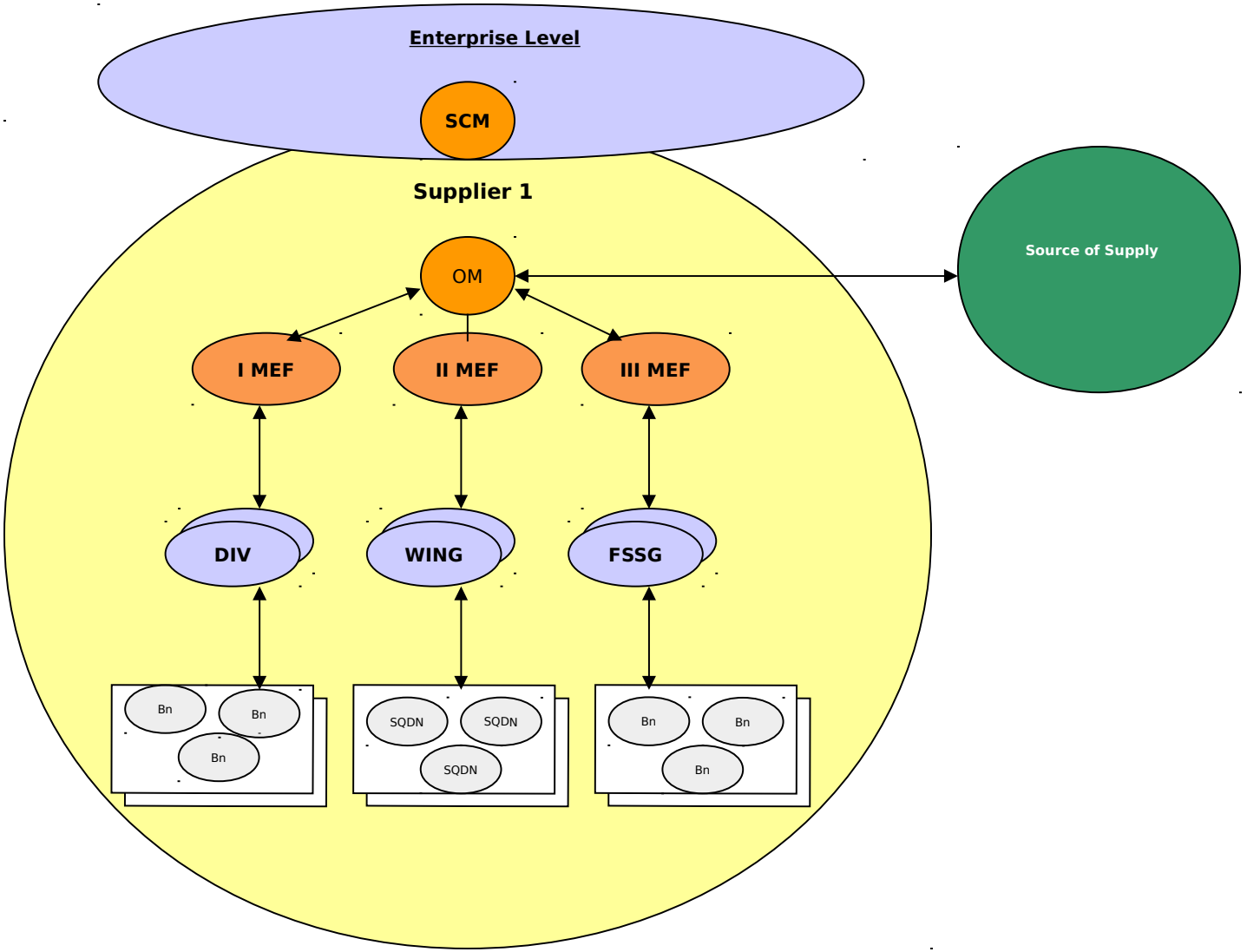
Enterprise Level
SCM
Supplier 1
OM
Source of Supply
I MEF
II MEF
III MEF
DIV
WING
FSSG
Bn
Bn
Bn
SQDN
SQDN
SQDN
Bn
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Bn

Background

Plan, coordinate, and execute all actions necessary to achieve centralized worldwide management of Secondary Reparable (SECREPs)

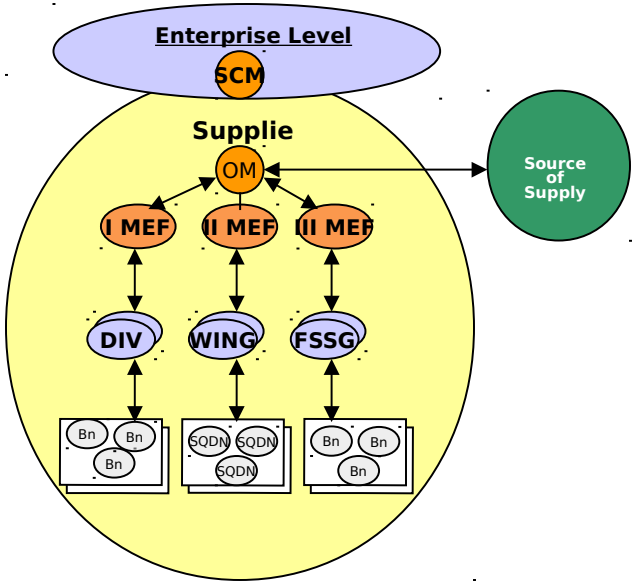
Goal

"End State"

- Total SECREP asset visibility
- Centralized management
- Precision stock positioning and levels
- Responsive and reliable distribution channels
- Real-time or near real-time distributed information management
- Unified financial management

FOC (End-State)

"Control & Ownership SECREP Processes"



Approach

Initial Roadmap

- ✓ Validated SECREP Baseline & Metrics
- ✓ Documented “As-Is” Process Flows using SCOR
- ✓ Developed Business Rules for IOC
- ✓ Implemented (legacy system) IT capabilities for use at IOC
- ✓ Achieved IOC - 31 Oct 2000
- ✓ Completed Migration to a single SASSY domain
- ✓ Developed Draft Concept of Operations for SECREP inventory management, distribution, & finance
- ✓ Identified roles and responsibilities for organizations performing both retail and wholesale inventory and distribution management functions
- ✓ Achieved notional FOC 1 Oct 2001
  - Documented Processes and requirements
- ✓ Collaborative requirements determination

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Results to date

- Lowered USMC Inventory requirements for SECREPs by $155M
- Realized more than $20M in direct savings to Operating Forces
- Moved over 400 weapon systems off deadline status
- Achieved more than $750K in savings to Master Work Schedule through End-to End management of requirements
- Prototyped the capability to perform Enterprise Supply Chain Management for all USMC Forces (Consumable, SecReps, PEIs)

What's next

Phase	Action	Date
Phase I	Planning	IOC Oct 2000
Phase II 2001	Proof of Principal	IOC to FOC Oct
	ID enablers in coordination with OA, SRAC, and SDE	Ongoing
Phase III	Execution of Centralized SECREP Management	FOC +
Feb 2002	Collaborative Recomp	FOC to
end FY02	Complete tasks for financial concept	FOC to
end FY02	SCOR Implementation	FOC to
3rd Qtr FY03	Implementation of Readiness Based Sparing	FOC to
	Quad Model	FOC to FY04
FY03	Pursuit of enablers (coordinated effort with	FOC to

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4th Echelon of Maintenance Migration Update

Background

- Marine Corps Logistics Campaign Plan 2001…

  1.6.2 Transition management of 4th echelon maintenance to MATCOM during FY 02.

- MARCORLOGBASES assigned as executive agent for migration of 4th EOM from operating forces to COMMARCORMATCOM

Goals

- Improve responsiveness to our supported units
  - Reduce variance in CWT
  - Expand Mean Time Between Failure
  - Standardize, streamline processes for outsourced SECREP maintenance
- Effectively source and manage Enterprise-wide SECREP maintenance
- Align our current garrison capability with required operating (battlefield) capability

Approach

- Primary focus on SECREPs
- Define required operating (battlefield) capability
- Align current garrison capability with required operating capability
- Develop migration plan
- Leverage existing sources
- Coordinate/communicate

Actions Completed

- ✓ SME’s identified required Operating Capability
- ✓ Completed impact assessment to identify resources committed to excess capability
- ✓ Implemented Proof of Concept to test ability to source and manage Enterprise-wide SECREP maintenance requirements
- ✓ Defined interface requirements with commercial sources
- ✓ Completed Statement of Objectives, submitted to GSA for solicitation

What's Next

Action	Date
• Develop sourcing plan	4th Qtr FY02
• Finalize migration plan	1st Qtr FY03
• Extend OA Supplier Relationship process/requirements	1st Qtr FY03
• Implement USMC-wide contract	2nd Qtr FY 03

Common Challenges

- Required “IT” Enablers
- Standardization of CLS efforts/processes
- Cultural Change at all levels

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UNITED STATES MARINE CORPS
ILC
INTEGRATED LOGISTICS CAPABILITY